

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6176**

**BILL NUMBER:** HB 1019

**NOTE PREPARED:** Nov 22, 2005

**BILL AMENDED:**

**SUBJECT:** Employee's Right to Work.

**FIRST AUTHOR:** Rep. Torr

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill makes it a Class A misdemeanor for an employer to require an individual to: (1) become or remain a member of a labor organization; (2) pay dues, fees, or other charges to a labor organization; or (3) pay to a charity or another third party an amount that represents dues, fees, or other charges required of members of a labor organization; as a condition of employment or continuation of employment. The bill establishes a private right of action for violations or threatened violations.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** If additional court cases occur and fines and fees are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** The number of units that have contracts that would require an employee to: (1) become or remain a member of a labor organization; (2) pay dues, fees, or other charges to a labor organization; or (3) pay to a charity or other third party an amount that represents dues, fees, or other charges required of members of a labor organization is unknown. The bill would apply to contracts modified, renewed,

or extended after June 30, 2006. An individual who is required to pay to or join a labor organization may bring a civil action to obtain any of the following:

1. Actual and consequential damages resulting from the violation.
2. A civil penalty of not more than \$1,000.
3. Reasonable attorney's fees, litigation expenses, and costs.
4. Declaratory or equitable relief, including injunctive relief.
5. Any other relief the court considers proper.

A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** All.

**Local Agencies Affected:** All.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.